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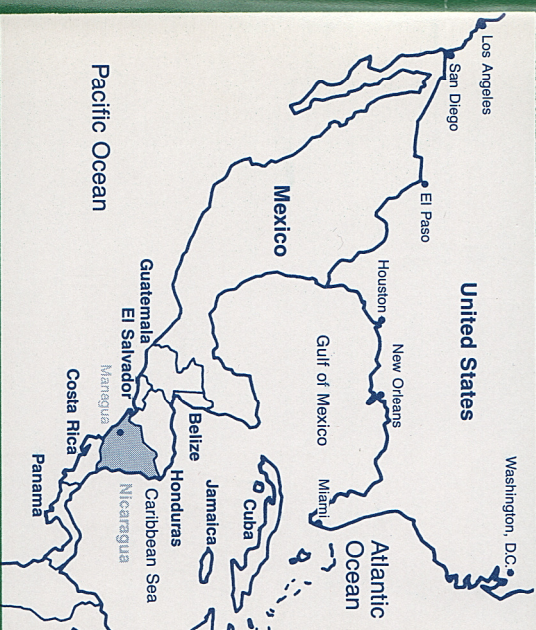
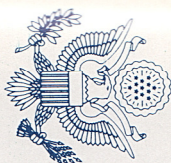
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United States Department of State

**Misconceptions About
U.S. Policy Toward
Nicaragua**



Misconceptions About U.S. Policy Toward Nicaragua

Introduction

In 1979, the Nicaraguan people overthrew the Somoza dictatorship. The Sandinista National Liberation Front (FSLN), which led the military struggle, pledged that it would promote political pluralism, a mixed economy, and a nonaligned foreign policy. Since 1979, the Sandinistas have steered the revolution ever further toward Marxism-Leninism, leaving their original promises unfulfilled. The U.S. Government sought from the outset to build a positive relationship with the new Government of National Reconstruction (GRN), but as the Sandinistas made clear that they had no intention of fulfilling their earlier promises, relations between the two nations deteriorated.

The complexities of the situation in Nicaragua, accompanied by a vigorous Sandinista propaganda campaign, have resulted in much confusion about U.S. policy toward Nicaragua. This pamphlet corrects the most common misconceptions.

Misconception: U.S. policy is aimed at overthrowing the Sandinista regime.

Facts:

- U.S. policy toward Nicaragua has four objectives:

- 1) An end to Nicaraguan support for guerrilla groups in neighboring countries;
- 2) Severance of Nicaraguan military and security ties to Cuba and the Soviet bloc;
- 3) Reduction of Nicaragua's military strength to levels that would restore military equilibrium to the region; and
- 4) Fulfillment of the original Sandinista promises to support democratic pluralism and respect human and civil rights.

- The Sandinistas are aware of these objectives and know that the concerns of the United States and Nicaragua's neighbors could be met by changes in the behavior of the government in Managua.

- The objectives of the United States are consistent with the 21 points adopted in September 1983 by the participants in the Contadora process, including Nicaragua.

Misconception: The Sandinistas are essentially reform-minded nationalists, but U.S. hostility has driven them into the arms of Cuba and the Soviet Union.

Facts:

- The FSLN leadership is composed of committed revolutionaries who openly embrace Marxist-Leninist ideology. They claim to be a vanguard party with a historic right to lead the Nicaraguan people to "socialism"

(read: communism). The Sandinistas condemn the United States as the center of capitalism and imperialism and thus the principal obstacle to world revolution. The FSLN hymn proclaims the Sandinista commitment to fight against "the Yankee, enemy of humanity."

- In a secret speech made in the spring of 1984 to the Nicaraguan Socialist Party (PSN), a Moscow-line Communist party, Sandinista National Directorate member and political coordinator Bayardo Arce acknowledged that the FSLN had never intended to comply with its promises to promote pluralism, a mixed economy, and non-alignment. Arce explained that the FSLN had made these commitments simply to gain international support and thereby forestall possible U.S. intervention. He referred to the elections as "a nuisance" and described the FSLN's goal of building a Socialist Nicaragua with "a dictatorship of the proletariat." Arce closed his speech appealing for "the unity of the Marxist-Leninists of Nicaragua." (The complete text of the Arce speech was printed in the Spanish newspaper *La Vanguardia* on July 31, 1984.)



July 26, 1979, Holguin, Cuba: Within a week of their defeating the Somoza regime, top Sandinista leaders flew to Cuba to celebrate their victory with Fidel Castro and to commemorate the traditional Cuban revolution holiday, the 26th of July. This photo shows Fidel Castro and Comandante Bayardo Arce, Political Committee Coordinator of the FSLN.

(Bohemia, 1979)

- The Sandinistas' fraternal relations with the Communist government of Cuba are based both on ideology and the long history of Cuban support for the FSLN. The Sandinistas regard Fidel Castro as their mentor. Not only did he furnish them with a model for their revolution, Castro also provided shelter and training during their 18 years of struggle against Somoza, and he supplied them with the weapons for their final offensive in 1979. Castro has continually coached the Sandinistas, and he even brokered the arrangement among the three FSLN factions which led to the formation of the current National Directorate in March 1979.

- Within a week of the Sandinista victory in 1979, Cuba placed about 100 military and security personnel in Nicaragua. Currently, the number of such advisers has swollen to 2,500-3,500. In addition, Cuba has stationed thousands of "civilians" in Nicaragua, including a vast array of technicians and advisers as well as teachers, doctors, and construction workers.

- In addition to the Cubans, Nicaragua also has at least 200 Soviet and other East-bloc military advisers, and about 50 advisers from Libya and the Palestine Liberation Organization (PLO).

- The United States openly distanced itself from the Somoza regime in 1978-79, and in June 1979 cosponsored an Organization of American States (OAS) resolution calling for its replacement. The United States endeavored to foster good relations with the new Sandinista government and offered it an alternative to alignment with Cuba and the Soviet Union. During the GRN's first 18 months, the United States took the leading role in the international effort to assist Nicaragua and authorized \$118 million in bilateral aid, far more than any other nation. The United States also supported the flow of \$1.6 billion from international financial institutions and Western democracies



Sandinista leader Daniel Ortega with Soviet leadership during one of his many trips to Moscow.

(Sovfoto-Eastfoto, 1982)

and the refinancing of Nicaragua's debt to private foreign banks.

- Because evidence showed that the Sandinistas were materially supporting the Communist guerrillas in El Salvador, the United States began suspending new aid funds to Nicaragua in late 1980; in April 1981 the United States discontinued economic assistance to the Nicaraguan Government. Despite the strains in our relations, in 1982 the United States offered a new \$5.1 million aid package to nongovernmental organizations, but the Sandinistas blocked these programs.

Misconception: U.S. hostility has compelled the Sandinistas to develop a large military force for its own protection.

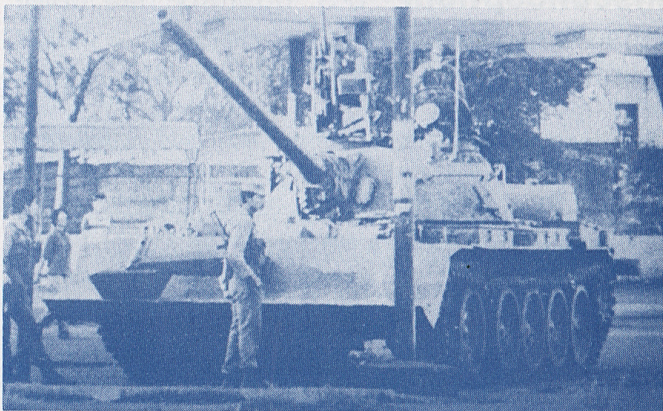
Facts:

- The Sandinistas have always intended to establish a one-party Marxist state with an oversized military. In September 1979, just 2 months after seizing power, the Sandinista leadership met in seclusion for 3 days to map out their plans to consolidate the revolution internally and to promote "revolutionary internationalism." The report of this meeting, "Analysis of the Situation and Tasks of the Sandinista Peoples' Revolu-

tion" (commonly referred to as the "72-hour Document"), has been the blueprint which the Sandinistas have followed for more than 5 years.

- The Sandinistas, as former guerrilla fighters, planned from the outset to create a large military establishment, closely emulating the Cuban model. Long before any serious armed opposition arose, the Sandinista Peoples' Army (controlled at all levels by the FSLN party) made plans for increasing its manpower, building numerous bases, and training personnel in the use of sophisticated military hardware. The current growth in the Sandinista Army merely continues the decisions made in 1979-1980.

- The size of the Sandinista military now exceeds all legitimate defensive needs and is far larger than that of any other Central American country. Their active duty forces are estimated to exceed 60,000, some 5 times the size of Somoza's National Guard at its peak. These troops are supplemented by approximately 60,000 members of reserve and militia units. Moreover, the Sandinistas have acquired huge amounts of Soviet hardware, including at least 340 tanks and armored vehicles, scores of artillery pieces and rocket launchers, patrol boats, and



The Sandinistas now have at least 340 tanks and armored vehicles. The mainstay of this armored force is some 110 Soviet-made T-55 tanks. Nicaragua also has nearly 30 PT-76 light amphibious tanks. This photo shows a Soviet-made T-55 tank in Managua.

dozens of helicopters, including several MI-24s, the Soviets' top-of-the-line attack gunship.

Misconception: U.S. actions forced the Sandinistas to implement the State of Emergency which now suspends many of the civil liberties of Nicaraguans.

Facts:

- Long before the Sandinistas faced any threat from armed opposition forces, they were already committing repressive acts.

- In November 1980, Sandinista security forces gunned down Jorge Salazar, the vice president of the private sector umbrella group, Supreme Council of Private Enterprise (COSEP).

- In November 1980 and again in March 1981, the Sandinistas blocked the Nicaraguan Democratic Movement Party headed by former junta member Alfonso Robelo from holding peaceful rallies.

- In early 1981, the Sandinistas arrested the President of the Permanent Commission on Human Rights (CPDH), Jose Esteban Gonzalez, and occupied the Commission's office. (The ensuing international uproar over his arrest convinced the Sandinistas to release Gonzalez; he now lives in exile, having been convicted in absentia of subversive acts and condemned to a lengthy prison sentence.)

- In February 1981, the Sandinistas arrested numerous Miskito Indian leaders for protesting Sandinista mistreatment of the indigenous population of the Atlantic Coast region. In late 1981-early 1982, the Sandinistas forced approximately 10,000 Miskitos to move from their ancestral homelands to distant resettlement camps.

(These and other repressive acts have caused thousands of Miskitos to flee into exile.)

- Beginning in 1981, the independent daily *La Prensa* was shut down several times and its owners threatened. The newspaper continues to be censored daily.

- In October 1981, five private sector leaders were jailed for 5 months for signing a letter protesting the Sandinistas' actions to implant Marxism-Leninism in Nicaragua.

- The Sandinistas imposed the State of Emergency in March 1982, claiming that it was a necessary response to a military threat. In fact, however, the State of Emergency has served primarily to provide the Sandinistas with the legal window-dressing to stifle dissent as they institutionalize their control over Nicaragua. Under its provisions, they have muzzled the free press, restricted the legitimate political activities of opposition parties, and held political prisoners without trial for prolonged periods.



July 9, 1984, Managua, Nicaragua: In the continuing conflict between the Catholic Church and the Sandinistas, Nicaragua's Archbishop Miguel Obando y Bravo and many priests demonstrated against Sandinista treatment of Father Luis Amado Pena. Sandinista authorities had accused Pena of "counterrevolutionary activities" and placed him under house arrest. The Sandinistas responded by expelling 10 foreign-born priests who had lived in Nicaragua for several years, including some who had not even participated in the demonstration.

(Wide World photo)

The State of Emergency has not been effective in checking the growth of the armed opposition. The many repressive acts committed by the Sandinista Government have actually led thousands of Nicaraguans to join the anti-Sandinista forces.

- The April 22, 1984, Pastoral Letter by the Nicaraguan Episcopal Conference refutes the Sandinistas' assertion that U.S. aggression required curtailment of civil liberties. The letter states: "It is dishonest to constantly blame internal aggression and violence on foreign aggression. It is useless to blame the evil past for everything without recognizing the problems of the present."

Misconception: The United States is seeking a military solution, and charges about the Sandinistas' military buildup and their possible acquisition of MiGs are intended to lay the groundwork for an eventual invasion.

Facts:

- President Reagan has made clear that the United States has no plans or desire to introduce U.S. combat troops into Central America. The United States actively supports the Contadora process aimed at achieving a political solution to the situation in Central America.

- The Sandinistas' military buildup is a major destabilizing element in the region and a matter of grave concern to Nicaragua's neighbors. Costa Rica has no army. Honduras relies on its small air force to offset partially the Sandinistas' overwhelming superiority in ground forces. The introduction of MiGs or other high performance aircraft would neutralize Honduras' only deterrent and further destabilize the region.

- At the same time, the United States cannot ignore the fact that the Sandinistas, supported by the Cubans and the Soviets,

are carrying out a military-based strategy both internally and externally in the region. It is they who seek a military solution, both for their own internal opposition and for the guerrilla war in El Salvador.

Misconception: The United States has imposed a boycott on Nicaragua and is trying to strangle Nicaragua economically.

Facts:

- The U.S. Government has not imposed any form of economic boycott on Nicaragua. The United States remains Nicaragua's largest trading partner, accounting for 18% of its exports and 19% of its imports in 1983. The only action taken by the United States with regard to trade occurred in 1983, when it reduced the quota of sugar Nicaragua could sell to the United States at a price well above the world market price. The Sandinistas, on the other hand, have deliberately directed trade away from the United States toward other, particularly Soviet-bloc, countries.

- The U.S. Government initially supported aid to Nicaragua in international financial institutions. Later, the United States opposed some multilateral loans when it became evident that because of Sandinista economic policies the funds would not be used productively. Generally, these loans have been approved despite U.S. opposition.

- United States-Nicaraguan trade has not increased primarily because the Sandinista regime is unreliable in making payments to commercial suppliers. Sandinista economic mismanagement has contributed to shortages and diminished Nicaragua's ability to pay for foreign goods. Since the Sandinistas came to power, Nicaragua has been importing roughly twice as much as it has been exporting, and de-

pending on foreign aid and credits to fill the gap. The Sandinistas have doubled Nicaragua's foreign debt in just 5 years. Recently Nicaragua stopped all payment to creditors on its \$4 billion foreign debt. As a result, banks and firms, both U.S. and foreign, are reluctant to extend credit to Nicaragua and often insist on guarantees of payment before consummating transactions.

Misconception: The Sandinistas have attempted to improve relations with the United States while the United States has done nothing in return.

Facts:

- The United States has made numerous attempts to engage the Sandinistas in serious negotiations. Senior U.S. diplomats have traveled to Nicaragua repeatedly to discuss our concerns directly with the Sandinistas. During his June 1, 1984, visit to Managua, Secretary of State George Shultz designated Special Envoy for Central America, Ambassador Harry Shlaudeman, as the U.S. representative in a projected series of bilateral meetings with Nicaragua. Since that time, Ambassador Shlaudeman has met nine times with Nicaraguan Vice Foreign Minister Victor Hugo Tinoco.

- When the Sandinistas have made positive gestures, the United States has responded favorably. For example, in December 1983 Secretary Shultz publicly welcomed the Sandinista announcement of upcoming elections and offer of amnesty for the rebels, expressing hope that these would become a reality. Unfortunately, the Sandinistas' actions, such as continuing to support the Salvadoran insurgents, repression of opposition politicians, harassment of church leaders, and censorship, run counter to their professed willingness to be flexible.



January 25, 1985, Managua, Nicaragua: Iranian Prime Minister Mir Hosein Musavi (right), who visited Nicaragua for 3 days, is bid farewell by President Daniel Ortega (left). During his visit, Iran's Prime Minister underscored the ties of friendship between Iran and Nicaragua, and said that the two revolutionary governments shared similar ideals.

(Wide World Photo)

Misconception: The U.S. is supporting former Somocistas who are spreading terror in Nicaragua.

Facts:

- The vast majority of those now in armed opposition to the Sandinistas had no ties with the Somoza regime, and many were actually Sandinista fighters. The leaders of the armed groups, such as Adolfo Calero and Eden Pastora, were staunch enemies of Somoza and played active roles in the revolution. They and thousands of other Nicaraguans, mostly poor peasants and workers, became disillusioned by the Sandinistas' broken promises and maltreatment of the population. Judging that civic opposition was futile, they have taken up arms to restore the revolution's original goals. They have chosen to risk their lives rather than submit to the Sandinista regime.

- The armed opposition has focused its operations on military objectives and some government-owned companies and facilities. Unlike the Marxist guerrillas in El Salvador who have concentrated attacks on economic infrastructure, the Nicaraguan armed opposition has attacked very few economic targets and has sought to avoid civilian casualties. Tragically, the Sandinistas have adopted a practice of mixing civilian government workers with troops in truck convoys, and civilians have been killed when these convoys have been attacked. The Sandinistas are engaged in a propaganda campaign to use such incidents to portray the opposition as human rights violators. It is more likely that the Sandinistas through use of heavy weapons—multiple rocket launchers, artillery, and helicopter gunships—have inflicted far more civilian casualties than have their opponents.

- Until the Sandinistas began to face armed internal opposition, they had been able to support violence and terrorism elsewhere in Central America with impunity. Only after the Sandinistas themselves began to incur costs from fighting an internal guerrilla movement did they signal a willingness to engage in meaningful negotiations with their Central American neighbors.

Misconception: Nicaragua's neighbors have never protested that the Sandinistas were assisting insurgents, and the United States has never produced any evidence of Sandinista support for subversion.

Facts:

- The Governments of El Salvador and Honduras have repeatedly denounced the Sandinistas' materiel support for armed Marxist groups. Guerrilla documents, captured weapons shipments, and statements

by guerrilla prisoners and defectors prove continuing Nicaraguan support for Salvadoran insurgents.

- The Honduran military has captured two large groups of insurgents who admitted to having been trained in Cuba and infiltrated into Honduras through Nicaragua. The Sandinistas sent them to initiate armed operations against the democratic government of Honduras.

- Costa Rica, a nation without an army, has diplomatically protested numerous incursions by the Sandinista Army into Costa Rica. Protests, both official and private, have been lodged as well over Sandinista support of the radical wing of the legal Costa Rican Communist party, and FSLN support of terrorist actions in Costa Rica.

- The United States closely monitors arms trafficking in Central America. While most of this information cannot be released to the public in order to protect intelligence sources and methods, the appropriate committees of the U.S. Congress have reviewed the intelligence and judged that it proves



May, 1, 1980, Havana, Cuba: The three major Marxist-Leninist revolutionary leaders in Latin America are portrayed here at the May Day celebration in Havana: (left) Daniel Ortega, leader of Nicaraguan Sandinista Government; (center) the late Maurice Bishop, leader of the 1979 coup in Grenada; (right) Fidel Castro, considered the mentor of both.

(Wide World photo)

Sandinista materiel support for guerrillas in the region. (See *Background Paper: Nicaragua's Military Build-Up and Support for Central American Subversion*, July 18, 1984, and *News Briefing: Intelligence Information on External Support of the Guerrillas in El Salvador*, August 8, 1984.)

Misconception: The United States decided well before the Nicaraguan elections took place to brand them a farce.

Facts:

- The United States consistently has called for fair and free elections in Nicaragua, and the development of democracy has been one of the objectives of our policy.

- The legitimacy of an electoral process cannot be determined solely by the technical aspects of the process on election day. The Nicaraguan election was seriously flawed, for one party—the FSLN—controlled from the outset every aspect of the process, including the electoral machinery, most of the media, the police, the army, the courts, and mass organizations such as the neighborhood watch committees. The Sandinistas refused to grant the parties of the democratic opposition even the minimal conditions for a genuinely free election and sent mobs to disrupt their meetings. Sandinista supporters staffed the voting stations, registered the voters, and counted the ballots. Two-thirds of the precincts had not a single observer from any party except the FSLN to monitor the conduct of the voting operation and report on irregularities.

- The Sandinistas faced only token opposition on election day. Three of the parties on the ballot were minuscule Communist organizations. Another was a small group of the democratic left officially allied with the FSLN since 1980. The remaining party ran

under the name of the traditional conservative party, a title it obtained with Sandinista assistance. (It was one small faction of the parent party.) One democratic party pulled out of the campaign in late October to protest Sandinista abuses, but the FSLN-controlled Supreme Electoral Council ruled that the party's name stay on the ballot.

- The Nicaraguan election contrasted sharply with that in El Salvador where power was hotly contested and the Salvadoran people were given a real opportunity to select their leaders from a variety of political persuasions. Whereas in El Salvador the government offered the far left an opportunity to participate—which the far left declined—the Sandinistas emphatically excluded the armed Nicaraguan opposition from any role in the elections. The FSLN rebuffed all efforts by the civic opposition to obtain conditions which would have made the elections meaningful.

- The Contadora plan calls for free and fair elections as a requirement for peace and national reconciliation in all the Central American countries.

- There has been widespread international criticism of the Nicaraguan electoral process. For example:

- a) "What the regime in Nicaragua is doing is exactly what always has happened in all Communist regimes, but in different shades. In the case of the neighbor country, for reasons that are perfectly transparent, the elections are an effective instrument to better the image of the regime, that is to say, to project to the outside world the appearance of a frank, open democracy and even a return to the original proposition of the anti-Somoza insurrection. . . . There will not really be freedom of the press, nor a right to strike, nor free

issuance of the vote. The result of the ballot box has already been dictated by the regime." (Costa Rican newspaper *La Nacion*, August 10, 1984)

- b) "The preparations for the elections and the country's political climate being what they are, free voting by individual citizens cannot be expected. The EDU [European Democratic Union] mission has arrived at the conclusion that in this context the demands of the *Coordinadora* are fully justified—leaving aside the general amnesty and the dialogue with the armed opposition; without a realization of these demands free elections are not possible; on the contrary, it is the rejection of the demands which is an important indication that free elections are not intended. . . . The elections are being shaped and exploited by the Government of Nicaragua to the end of consolidating its own power and of facilitating further measures on the road to a Marxist-Leninist regime. The government for these reasons cannot afford free elections because they would conjure up the serious danger of its losing the majority." (European Democratic Union report on Nicaragua's electoral process, September 1984)
- c) "Only the naive believe that Sunday's election in Nicaragua was a democratic or legitimizing proof of the Sandinistas' popularity. The result was ordained when opposition parties tamely accepted terms that barred them from power." (*New York Times* editorial, November 7, 1984)



January 10, 1985, Managua, Nicaragua: Daniel Ortega greets Cuban leader Fidel Castro, the only foreign head of state to attend Ortega's inauguration as president.

(Wide World photo)

Misconception: The United States has been attacking Nicaragua's human rights record while ignoring serious situations in El Salvador and Guatemala.

Facts:

- The United States has always voiced its concern about the human rights situation in El Salvador and Guatemala, and it sought to use its influence on those governments to curb such abuses. There have been im-

provements in both countries. In El Salvador, according to information from the Catholic Church, the number of murders committed by right-wing death squads has decreased steadily in the last 4 years with a sharp downturn in 1984. By the end of 1984, they were far lower than the number attributed to the Marxist guerrillas.

- The human rights situation in Nicaragua is deplorable. The independent Permanent Commission on Human Rights has documented numerous cases of murders, disappearances, tortures, and prolonged detentions without trial for which the Sandinista Government is directly responsible. The Inter-American Human Rights Commission's report for 1983-1984 states that "it is necessary to introduce far-reaching remedies that will bring about unrestricted observance of these rights [to personal freedom, to a fair trial, and to due process], which at this time are significantly weakened."

- Following the November elections, the situation deteriorated markedly. The Sandinistas once again imposed heavy censorship of *La Prensa*. The GRN prevented individuals whom it considered its opponents from leaving the country, among them democratic politicians, private sector leaders, union officials, and even a bishop.

Misconception: The United States has not taken effective steps to encourage democracy and oppose dictators in Central America.

Facts:

- The United States strongly supports democracy in Central America, and this support is yielding positive results.
- Honduras in the past 4 years has made the transition from a military regime to a democratic civilian government.

- El Salvador has continued the democratic process launched in October 1979, weathering challenges from a violent right and a foreign-supported Marxist insurgency, to hold free elections and install a constitutional civilian government.

- Guatemala has committed itself to return to democracy, and in July 1984 elections were held for a constituent assembly. Presidential elections are scheduled for 1985.

- Costa Rica continues to enjoy a flourishing democracy.

- Of the Central American states, only Nicaragua is moving away from democracy.

- In addition to its firm political support for democracy in Central America, in the past 5 years the United States has provided nearly \$2 billion of economic aid to stimulate development and about \$670 million of military aid to build a shield behind which these fragile democracies can grow.

Misconception: The underlying reason for the problems in U.S.-Nicaraguan relations is the American concern that a Marxist Nicaragua could become a model for other Central American countries.

Facts:

- The Sandinista seizure of power in 1979 aroused hopes that the Nicaraguan people would soon enjoy a democratic government which would promote social justice and improve the quality of their lives. The Sandinistas, utilizing vast amounts of foreign aid—much of it from the United States—announced a number of programs, including a literacy campaign, construction of clinics, and expanded medical care. The programs were announced with much fanfare, and the Sandinista press releases describing the “miraculous” successes of

these programs were generally repeated uncritically by the international press.

- Had the Sandinistas fulfilled their promises to the Nicaraguan people for better lives and had the new government evolved toward a social democratic system, they possibly might have developed a model that could be emulated. Today none of Nicaragua's neighbors desire to voluntarily copy the Sandinista system. Instead, they fear attempts by force of arms to impose that system on their countries.

- The widely touted literacy and health programs launched by the Sandinistas have not worked as people hoped. To sustain progress in combating adult illiteracy, a continuing effort is required. Initial gains are disappearing for lack of followup and the unavailability of interesting and uncensored reading material. The people are tired of the Marxist propaganda material made available to them in the guise of instructional material. The quality of instruction in the educational system has decreased. In 1983 only a small percentage of graduating secondary school students could pass a standardized examination. This lowering of academic standards is attributable in part to the injection of massive doses of Sandinista political propaganda into the educational program and to the conscription of school age children into the military.

- While some advances have been made in preventive health care, the quality of curative medicine in Nicaragua has fallen sharply. The Sandinistas' repressive policies have driven many Nicaraguan doctors, nurses, and medical technicians into exile. Nicaraguans complain that the Cuban personnel who provide much of the medical service in Nicaragua today are poorly trained.

- Similarly, the Sandinista claims of expansion of the number of trade unions have not improved the lot of the workers. The crea-

tion of new unions under Sandinista control has been a ruse to repress and destroy the free trade unions. The International Labor Organization in March 1984 expressed "serious concern" over the large number of trade unionists and employee representatives arrested and noted that "freedom of association can only be exercised" where fundamental human rights and "freedom from arbitrary arrest are fully respected and guaranteed." Many former trade union leaders have gone into exile.

- Despite billions of dollars of foreign aid since 1979, per capita income in Nicaragua has declined to the levels of the early 1960s. Inflation is soaring—an estimated 100% in 1984 alone—and workers' wages continually decline in purchasing power.

- Whereas Nicaragua, prior to 1979, was a net exporter of foodstuffs, it is now a net importer of food. Production has dropped and Nicaraguans are facing serious shortages of food as well as basic consumer goods. Food is rationed. The issuance of ration coupons by the local Sandinista Defense Committees (CDSs) has become a method of political pressure. Queues, typical of Eastern Europe, are now an everyday sight in Nicaraguan markets. Basic necessities often are available only on the black market at highly inflated prices. Peasant food producers often prefer selling to black market vendors who pay their bills.

- In contrast to the poverty affecting Nicaraguan workers and peasants, the Sandinista elite drive luxury cars, and have followed the Soviet example of opening special stores where they can buy goods unavailable to the rest of the population. People elsewhere in Central America are not yearning to have the Nicaraguan model imposed upon them.

For further information, contact the Office of Public Diplomacy for Latin America and the Caribbean:

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